

## Schools Finance Group: Notes of meeting on Wednesday 5 March 2025

### KEY POINTS FOR DEF TO NOTE:

#### Item 4 – Growth Fund

- SFG endorsed the recommendation to DEF that the Growth Fund rates are updated in line with the relevant funding factors, backdated to 1 January 2025, based on October 2024 census.

#### Item 5 – Early Help and EBSA funding 2024/25

- Funding from block transfer 2024/25 was invested into Early Help and reducing Emotionally Based School Avoidance, led by Educational Psychology Service.
- It was proposed that the reports are shared more widely with schools during the summer term as part of the preparations for consultation, clearly identifying the link between the impact and the block transfer investment.

#### Item 8 – Access Budgeting Software

- DCC acknowledges that number of schools have been significantly affected by the issue and apologised for the impact on schools and staff.
- Those schools are invited to come to Schools Support Panel for support to put in place arrangements that have not been progressed due to incorrect budgeting information being available at the appropriate time.

#### Item 10 – Free School Meal Auto-enrolment

- SFG endorsed the approach of introducing a recoupment model to fund a pupil premium auto enrolment approach.

### ATTENDANCE

#### DCC

Mat Thorpe (Chair)	Deputy Director of Finance and Public Value
Jack Newton	Deputy Director, Inclusion & Learning
Phill Adams	SEND Improvement Assistant Director
Heidi Watson-Jones	Safety Valve Project Officer

#### Devon Schools Leadership Services

##### Primary:

Jamie Stone	Denbury Primary
Christopher Tribble	Honiton Primary
Paul Walker (part)	First Federation Trust

##### Secondary:

Graham Hill	Pilton Community College
Rob Gammon (Apologies)	The King's School
Tristan Muller-Forster	Tavistock College

##### Alternative Provision:

Rob Gasson	Wave Multi Academy Trust
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##### Special Schools

Sarah Pickering(part)	Mill Water School
Hannah Smart (part)	ACE Tiverton

##### DAG

Faith Butler	Special School Governors
Alex Walmsley (part)	Secondary Governors
Adrian Hines (Apologies)	Primary Governors

##### Early Years Providers

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Gemma Rolstone (Apologies)

Puffins Childcare

### **Other DCC Officers**

Katrina Harverson

Principal Accountant (Education & Learning)

Karlien Bond

Senior Accountant (Education & Learning)

Michael Heard (part)

ICT Business Partner

## SCHOOLS FINANCE GROUP

### 1. Minutes and matters arising from meeting on 10 January 2025

- JN confirmed aim to begin planning for autumn funding consultation process during the summer term to ensure readiness.
- **Block Transfer** – SFG members expressed disappointment at the Secretary of State's decision to approve the transfer, and how that information was shared by Devon to SFG members and schools.
- JN acknowledged that communications between the LA and both representative groups and the wider schools community need to be more thoughtful and effective.
- Mutual Fund consultation has taken place and outcomes reported to fund members.
- All other actions completed or in hand.
- Minutes were agreed as an accurate record.

#### **ACTION:**

- **JN** to respond to SFG around issues pertaining to PAN and the funding formula in the high needs sector (special schools and PRUs)

### 2. DSG Monitoring – month 10

- 2024/25 DSG Outturn forecast is an overspend of £45m, assuming management action of £11.4m as identified in the Safety Valve plan. £3.9m management actions outlined in the Safety Valve are at risk of not being achieved.
- Noted that new resource base and special school places have been established but noted these have not all been filled.
- There has been a 11.7% increase in EHCPs since January 2024; currently 936 EHCP are overdue to be issued.
- Funding pressures are particularly around growth in plus packages and EOTAS packages.
- Devon's Safety Valve agreement now being re-set as assumptions have not played out as initially modelled and the DfE has additional requirements around addressing the EHCP backlog. Leadership working to both support and hold to account officers responsible for delivery.
- £3.9m targeted Safety Valve savings have been missed, approximately £2m of that can be attributed to delays in DfE decision making, and continued growth in EHCP requests.
- Ongoing overspend in the independent sector continues to be a concern. SFG discussed efforts to reduce the cost levels through driving down unit costs, and investment in and expansion of places available in resource bases and maintained and academy special schools.
- SFG agreed that analysis of the growth would be helpful. Daily Senior Officer Approval Process scrutinises individual requests to ensure placements and costs are appropriate. Noted that in some cases the LA has little option but to secure independent placements, where mainstream

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settings are not able to provide appropriate support and adjustment to meet SEN needs.

- The group acknowledged that independent schools have an important role to play in meeting complex SEN needs.
- SFG considered strategies for investing further in mainstream capacity and resilience to more effectively support children with SEN as Heads felt that they are increasingly unable to be meet need in mainstream.
- Innovation is required across DCC and schools – working together in localities will focus resource to seek a solution to meeting children's needs and addressing financial challenge.
- The group discussed the possibility of analysing and sharing data pertaining to concerns around practice in specific schools or MATs; data on parental preference and EHCP children on roll from out of catchment area are available.
- Considered data-sharing protocols between all schools, and how this can be used to inform greater inclusivity for Devon's children. Concerns around practice should be raised with Governors and Trustees.
- SFG discussed at length the links between policies and behaviours in schools and the impact on SEN learners being unable to manage in a mainstream environment. Heads felt that schools would welcome discussions with DCC to explore trends and data pertaining to their own practice.
- The importance of identifying issues at Early Years stages and providing support as early as possible was stressed.
- DfE have confirmed payment of the full Safety Valve instalment for the 2024/25.
- Mindful that should the statutory override for the DSG deficit be removed, then 43% of all local authorities could become financially unviable and unable to meet financial requirements. SEND remains a local authority risk at the highest level.
- The recently announced SEND White Paper was discussed, impacting on longer term national strategy.

### 3. Carry Forwards 2024/25

- SFG noted proposed carry forward balances, which this year will be subject to DfE guidance.
- Schools contingency fund is now reduced by 50% since last year's position, indicating approximately £1m spend. SFG requested regular monitoring updates on the contingency budget. Mindful of the investment in school effectiveness following the loss of national grant, it was felt that regular reporting will highlight the impact of school effectiveness practice.
- Total expected DSG carry forward for 2024/25 is currently £632k.

#### **ACTION:**

- **JN, KB and Alice McShane** to consider format for this year's Schools Support Panel Annual report to ensure the work and the budget position are clearly understood.

### 4. Growth Fund

- Noted that Growth Fund underspend is now directed to the High Needs Block deficit as per DfE regulations.
- SFG endorsed the recommendation to DEF that the Growth Fund rates are updated in line with the relevant funding factors, backdated to 1 January 2025, based on October 2024 census.

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- £2.1m allocation for 2025/26 noted.

### 5. Update on Early Help & EBSA funding 24/25

#### EBSA

- Funding from block transfer 2024/25 was invested into Early Help and reducing Emotionally Based School Avoidance, led by Educational Psychology Service.
- Work has sought culture change across schools involved. SFG welcomed the report and considered how this information can be shared with schools to demonstrate effective and successful investment of schools block funding.
- It was proposed that the reports are shared more widely with schools during the summer term as part of the preparations for consultation, clearly identifying the link between the impact and the block transfer investment. SFG noted that this piece of work is now self-funded.
- Suggested that locality-based briefings could be most effective in increasing schools' understanding of impact. Newly appointed DCC Inclusion and Learning Locality leads will be well placed to take this forward.
- Noted that Wave have been early adopters of the AV1 robots and are well placed to support other schools considering this approach.

#### Early Help

- Partnership of LA and schools aiming to be more effective at intervening earlier when additional needs are identified to ensure that families are receiving the support they need when it is needed.
- There are concerns that the wider schools community is unaware of the impact that this service can have. Additional support will be created within communities alongside schools as statutory partners and Family Hubs.
- SFG requested details of the referral process and queried whether all schools aware of the service and how to refer into the EH team.
- Key messages need to be communicated to schools to ensure this is embedded in locality working approaches.

#### **ACTION:**

**JN/KK** to include EBSA / Early Help update at DSLS briefing on 13 March

### 6. Update on Safety Valve delivery and next steps

- Devon is currently approximately £3.9m adrift of Safety Valve savings projections.
- DCC is currently resetting its approach to Safety Valve, establishing a SEND 'Gold Command' scrutiny and additional approaches are being instigated:
  - Creating additional capacity in special schools, resource bases and FE sector
  - Special school outreach and post 16 provision
  - Work on internal systems and processes
  - Individual contract reviews with AEP and independent education providers to reduce the cost of provision.
  - Improved accountability with named officers having specific targets for savings.
  - Four Cornerstones SEND strategy leading to improved practice, quality and will contribute to managing down the cost base.

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- SFG noted that achieving Safety Valve savings target will need to be supported by wider and ongoing reduction in the cost base.
- Noted there will be greater scrutiny on the flow of new and ceasing EHCPs. SFG were mindful that a key to change will be to ensure EHCPs are requested for the children that need one.
- Ongoing approaches to government, alongside other LAs, are required to raise the profile of the need for national system reform.
- Noted that an increase in FE places is likely to have an impact on transport costs.

### **7. Exclusions / EOTAS / EHE – Funding following the Child**

- Reports have previously been considered and agreed regarding funding following the child. Not all Devon schools are following the agreed approach to transfer the funding in the event of a permanent exclusion, or medical or EOTAS arrangement.
- It was noted the national guidance does not always align with with the legal position; this has been raised with Regions Group and will be discussed again at DEF.
- Strategies around effective management and financial impact of exclusions and mid-phase admissions will be progressed at locality level.

### **8. Access Budgeting Software**

- Jack Newton reported that a number of schools have been significantly affected by the issue and apologised for the impact on schools and staff.
- DCC has offered that those schools come to Schools Support Panel for support to put in place arrangements that were not progressed due to incorrect budgeting information being available at the appropriate time.
- A statement will be issued shortly from JN.
- Legal assurance will also be sought around the security of the contracting process going forward.
- A closer working relationship is being established with the provider moving forward.
- SFG are mindful that as a result of this incident, there are ongoing concerns that schools finance consultants have up to date, quality information. New arrangements for updates and training will be in place throughout the team.
- There was acknowledgement that Devon's relationship with maintained schools has been strained on this issue, but that the LA is now managing the response well.

### **9. Update on New Schools Finance System**

- Schools were thanked for their ongoing engagement in the transition to new MIS and financial system arrangements.
- Only 4 schools now remaining to move across to the new system. Mindful of pressures as the financial year end approaches. Additional support has been secured to enable 'hand holding' from the provider during implementation.
- Any schools experiencing issues with moving onto the new system are encouraged to contact Scomis for support. Training and support materials are available online to take users through the process.
- DCC transition to Unit4 will mean that the steps for uploading files from Bromcom will be changed.

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- Noted Budget Variances Reporting will provide live budget position rather than a monthly snapshot.
- Year 1 contract includes a training element, being delivered by Scomis on behalf of Bromcom – this support will continue across Devon schools to maximise success of the transition.
- Noted updates around ScoStore and ScoTech services.

### 10. AOB

#### Free School Meal Auto-Enrolment

- JN reported that an established third party consultancy has been commissioned to roll out auto-enrolment ahead of October census.
- This function will require funding, and a recoupment model was proposed; at £10 per pupil subsequently identified as eligible for Pupil Premium.
- Mindful that this is likely to be an interim measure while national proposals are considered.
- It is estimated that this could bring between £750k and £2m into school budgets.
- SFG endorsed the approach of introducing a recoupment model to fund a pupil premium auto enrolment approach.

#### Mutual Fund

- It was suggested that the 2025/26 Mutual Fund premium rates remain the same, based on responses to the consultation.
- Mindful that less than 50% of MF members responded, and there is still no clarity around which schools will continue with the Fund.
- Proposed that at next DSLS SEC meeting, the Board members and terms of reference are agreed.
- **KB** to draft communications for DSLS SEC to establish a new Mutual Fund Board.
- **KB** to model the impact of the different percentage benefit approaches based on last financial year's claims.

#### Future meeting dates:

- **Wednesday 4 June 2025** (09.15 – 12.30 – Teams)
- **Wednesday 9 July 2025** (09.15 – 12.30 - Face to face at County Hall)
- **Wednesday 10 September** (all day – face to face at County Hall)
- **Wednesday 5 November** (09.15 – 12.30 – Face to face at County Hall)
- **Friday 9 January 2026** (09.15 – 12.30 – Teams)
- **Wednesday 4 March 2026** (09.15 – 12.30 – Teams)